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TRADE AND DEVELOPMENT BOARD
Standing Committee on Developing Services
Sectors: Fostering Competitive Services
Sectors in Developing Countries
Third session

Agreed Recommendations of the Standing Committee

The increased participation of developing countries in world trade in services is essential for their deriving benefits from globalization and continuing to participate actively in the process of progressive liberalization of trade in services. To this end, the Standing Committee agreed that future work in UNCTAD should be oriented toward assisting developing countries to strengthen their capacities in the services sector and to identify clearly the opportunities for their services exports, as well as the barriers and impediments to their ability to compete in world markets. Work should focus on measures to overcome these difficulties, including by enhancing the negotiating capacity of developing countries in obtaining greater market access in sectors and modes of supply of export interest to them. Particular attention should be given to the problems of the least developed countries (LDCs) in strengthening capacities in the services sector.

Contributions should be encouraged to be provided to the Trust Fund to support timely technical cooperation activities as well as assisting developing countries in formulating policy measures to strengthen their capacities in production and trade in services.

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It was agreed that future work could focus on the following issues while avoiding duplication with other intergovernmental bodies:

1. The impact of subsidies, government procurement, safeguards and anti-competitive practices on development of competitive services sectors in developing countries and trade in specific service sectors and the improvement of information on current practices in these areas, taking into account the on-going work in the WTO.

2. Studying and analysing the trading opportunities made available as a result of market access commitments on temporary movement of natural persons in the GATS and the effectiveness of such access, as well as barriers which impede effective temporary movement of service suppliers.

3. A sustained result-oriented approach in dealing with the problems faced by developing countries in enhancing their access to and use of information networks and distribution channels.

4. Strengthening and making operational the Database on Measures Affecting Service Trade (MAST) with the cooperation of UNCTAD Member States, international and regional organizations and the private sector. In this context, priority should be given to (a) areas of on-going negotiations at the multilateral and regional level, (b) responding to requests for cooperation from countries and regional and sub-regional arrangements and (c) disseminating the MAST, in particular to the private sector.

5. Studying how to achieve concretely the development objectives of GATS, in particular as provided for in Articles IV and XIX.

6. The implications of environmental measures for the services trade of developing countries.

7. Evaluation of modalities and policies aimed at promotion of regional, subregional and interregional cooperation on services, including among countries at different levels of economic development.

8. The impact of economic integration arrangements on the service sectors of other countries, in particular on those of developing countries.

9. The improvement of statistics on trade in services especially in the context of on-going work in the Inter-Agency task force, with particular attention to the necessary conceptual work required for building a unified statistical system.

10. Strengthening the technical assistance capacity of UNCTAD with the objectives of: (a) development of human resources and national capacity in services; (b) organizing, developing and modernizing infrastructure; (c) promotion of an environment that will attract private investment; (d) improving negotiating capacity in the WTO, (e) support to developing countries in the on-going negotiations on specific services sectors, and in the future negotiations on services foreseen in the GATS; and (f) development of an appropriate legal and regulatory framework conducive to the development of competitive services sectors taking into account developing countries' multilateral obligations. All UNCTAD technical assistance activities related to trade in services should be closely coordinated with other relevant organizations working in this field.

In this regard, the CAPAS Project proved to be highly fruitful and thus should be strengthened and expanded to incorporate the other African countries, in particular the LDCs. Similar projects should be developed and adapted to the needs of other developing countries.

11. To study and analyze problems and opportunities faced by the interested countries undergoing transition to a market economy in improving the role of services in their economies, with a view to increasing their trade in services and identifying issues for possible international action.